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 RICHARD W. WIEKING
 CLERK, U.S. DISTRICT COURT
 NORTHERN DISTRICT OF CALIFORNIA

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 acting on behalf of its Agency U.S. SMALL BUSINESS ADMINISTRATION

10

11 UNITED STATES DISTRICT COURT
 12 NORTHERN DISTRICT OF CALIFORNIA
 13 SAN JOSE DIVISION

14 UNITED STATES OF AMERICA,

CV 11

Civil No:

2588

15 Plaintiff,)	COMPLAINT FOR
16 v.)	MONEY
)	(15 USC §634(b)(4))
18 Arlene D. Stevens)	DEBT COLLECTION CASE
19 Defendant.)	

21 Plaintiff, United States of America, on behalf of its agency, the U.S. Small Business
 22 Administration ("SBA"), for its Complaint for Money against Defendant(s), avers as follows:

JURISDICTION

24 1. This court has jurisdiction over this action pursuant to 28 U.S.C. § 1345, and 15
 25 U.S.C. § 634(b)(1). This action is timely filed, under 28 U.S.C. § 2415(a).

28 **COMPLAINT FOR MONEY**

INTRADISTRICT ASSIGNMENT

2. Venue in this District is proper pursuant to 28 U.S.C. § 1345 and 15 U.S.C. § 634(b)(1)&(4) and assignment to the San Jose Division is proper pursuant to Civil L.R. 3-2(d) because the Defendant has listed her contact address in Palo Alto, on information and belief she resides in Santa Clara County, and this matter concerns events that occurred in Santa Clara County, California.

PARTIES

3. SBA is an agency of the United States of America established by Section 4 of the Small Business Act of 1958, 15U.S.C. §633, with its principal office at 409 Third Street, S.W., Washington D.C. 20416.
4. On information and belief, Defendant Arlene D. Stevens, aka Arlene Stevens is an individual of the full age of majority.

COMPLAINT

5. Capital Access Group ("CAG"), made a 504 Business Loan to TV 32 Digital Ventures, Inc. Corporation ("TV 32" or "Loan"), as evidenced by a promissory note ("Note") dated August 26, 2005, in the original principal amount of \$1,457,000. A true and correct copy of the Note is attached as Exhibit A. Defendant Arlene Stevens guaranteed the note as evidenced by the Guarantee ("Guaranty") dated August 26, 2005 in the original principal amount of \$1,457,000. A true and correct copy of the Guaranty is attached as Exhibit B
6. CAG assigned the Note and Guaranty to SBA.

COMPLAINT FOR MONEY

1 7. CAG/SBA made the Loan pursuant to Section 504 of the Small Business Act,
2 15 U.S.C. §636 *et seq.*, to provide funds for the purpose of purchase of the real
3 estate located at 1010 Corporation Way, Palo Alto, CA 94303. The Note was
4 secured by Deed of Trust¹ on that real property.
5

6 8. The Note states that in the event of default in the payment of any installment or of
7 principal and interest when due, or in the performance of any obligation under the
8 Note, the holder may, at its option and without notice, declare all or any portion
9 of the principal and interest immediately due and payable.
10

11 9. TV 32 failed to make the Note payment due on or about February 1, 2009 and has
12 failed and refused to make any subsequent payments on the Note. TV 32 filed
13 bankruptcy shortly thereafter, Case No. 09-58098.
14

15 10. TV 32 defaulted under the Note by failing to make payments despite SBA's
16 demand. SBA has accelerated the entire balance due under the Note. True and
17 correct copies of the letters dated December 21, 2010 are attached as Exhibit D.
18

19 11. Senior lienholder Sterling Savings Bank (the "Bank") commenced both judicial
20 and non-judicial foreclosure against the real property. Subsequently, the Bank
21 completed or is about to complete its non-judicial foreclosure of the real property
22 on May 31, 2011, and SBA will likely receive no monies from the foreclosure
23 sale by Bank, successor in interest by merger to Sonoma National Bank.
24

25 12. SBA is entitled to judgment against Defendant(s) for the unpaid balance under
26 the Note and Guaranty pursuant to 28 U.S.C. § 3001(a)(1).
27

¹ A true and correct copy is attached as Exhibit C.

13. As of March 3, 2011, defendant owes SBA the following amounts:

\$ 1,358,855.47	Principal
\$ 2,839.20	Recoverable Expenses
\$ 165,171.31	Accrued & Purchase Interest
\$1,524,026.78	Total ²
\$ 209.11	Per diem interest accrual after 3/3/11

7 **PRAYER FOR RELIEF**

10. SBA prays for judgment against Defendant as follows:

11 (a) For the sum of \$1,524,026.78 with interest at the rate of \$209.11 per day
12 from March 3, 2011 until the date of entry of judgment;

13 (b) For SBA's costs and attorney fees; and

14 (c) For such other relief as provided under the terms of the Note, Guaranty, or
15 by operation of law.

17 Respectfully submitted this 27th, day of May, 2011.

18 MELINDA HAAG
19 United States Attorney

21 By Edwin L. Joe
22 Edwin L. Joe
23 Special Assistant United States Attorney

27 ² A true and correct copy of the Certified Statement of Account is attached as Exhibit E

EXHIBIT A